

ORIGINAL **APS**



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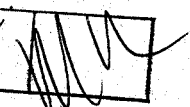
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Phoenix, Arizona 85072-3999

August 28, 2007

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Arizona Corporation Commission  
**DOCKETED**

**AUG 28 2007**

DOCKETED BY 

RE: Arizona Public Service Company General Rate Case  
Docket Nos. E-01345A-05-0816, E-01345A-05-0826, E-01345A-05-0827

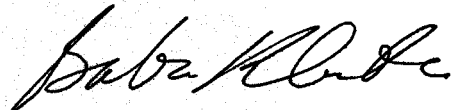
Dear Sir or Madame:

Pursuant to Decision No. 69663 (June 28, 2007), Arizona Public Service Company is filing revised rate Schedules E-56 and E-57. Enclosed please find both redline and non-redline versions of the revised rate Schedules E-56 and E-57. APS is not requesting that these schedules become effective until and unless specifically approved by the Commission. Therefore, APS expressly waives any applicability to this filing of A.R.S. Sections 40-250 (B) and 40-367.

As can be seen in the redline of revised rate Schedules E-56 and E-57, substantial changes have been made to the Schedules proposed by APS during the recent general rate case and addressed in Decision No. 69663. The changes are based on input received during two meetings involving APS, Commission Staff, and affected parties, as well as written comments from such parties.

If you have any questions or concerns please contact Greg DeLizio at (602) 250-2704.

Sincerely,



Barbara Klemstine

BK/vld

Attachments

CC: Brian Bozzo  
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Parties of record

**RECEIVED**  
**2001 AUG 28 P 2:38**  
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# Redline Versions



**SCHEDULE E-56**  
**CLASSIFIED SERVICE**  
**PARTIAL REQUIREMENTS SERVICE**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

APPLICATION

This rate schedule is applicable to any general service customer having generation equipment 100 kW and greater capable of supplying all or a portion of its power requirements for other than emergency purposes requiring supplemental, maintenance, and/or standby power. Direct access customers are not eligible for service under this rate schedule.

RATES

The bill shall be the sum of the amounts computed under A, B, and C below, including any applicable adjustments:

- A. Basic Service: The Basic Service and Revenue Cycle Service Charges included in the customer's applicable General Service rate schedule will ~~continue to apply~~ each month.
- B. Supplemental Service: Supplemental service will be provided in accordance with the rate levels contained in the customer's applicable General Service rate schedule, excluding the monthly Basic Service and Revenue Cycle Service Charges.
- C. Standby and Maintenance Service: The monthly charge for Standby and Maintenance Service shall be the sum of:

(1) Demand-Delivery Charge:

~~The unbundled transmission charge, if applicable, contained in the Customer's otherwise applicable General Service rate schedule plus the unbundled delivery charge contained in the customer's applicable General Service rate schedule. This summation is then multiplied by the amount of Contract Standby Capacity.~~

(2) Transmission Charge

The unbundled transmission charge, if applicable, contained in the Customer's otherwise applicable General Service rate schedule multiplied by the highest level of standby demand used during any 15 minute interval within the billing month (see below).

Whereas,

LSD = Highest Level of Standby Demand Used (kW)

CSC = Contract Standby Capacity (kW)

LGL = Lowest Level of Customer-Owned Generation -all Customer-owned units combined (kW)

LSD = CSC-LGL

The Highest Level of Standby Demand Used (LSD) shall never be less than zero.



**SCHEDULE E-56**  
**CLASSIFIED SERVICE**  
**PARTIAL REQUIREMENTS SERVICE**

(3) Energy Charge:

The unbundled transmission charge, if applicable, contained in the Customer's otherwise-applicable General Service rate schedule plus the per kWh monthly firm power purchase rates shown in rate schedule EPR-2.

DETERMINATION OF SUPPLEMENTAL SERVICE

Supplemental service shall be defined as demand and energy contracted by Customer to augment the power and energy generated by Customer's generation facility.

A. Supplemental Demand:

Supplemental demand shall be the highest 15-minute interval during the billing month which shall equal the (a) 15-minute integrated kW demand calculated for every 15-minute interval as recorded on the Supply Meter, plus (b) the simultaneous 15 minute measured kW output of the of each customer self-generation as recorded on the Generator Meter(s), less (c) the aggregate Contract Standby Capacity of all the customer's generating units; however, the result shall never be less than zero (0) for purposes of determining Supplemental Demand. If Company authorized scheduled maintenance was being performed on any of the customer's generators at the time of the highest 15 minute interval during the billing month, the amount of demand recorded on the Supply Meter shall be reduced by the applicable Maintenance Power Level of the generator unit(s) undergoing authorized scheduled maintenance for purposes of calculating supplemental demand used for billing.

Customer's maximum Supplemental Service kW requirements shall not exceed that established in the Electric Supply Agreement.

B. Supplemental Energy:

Supplemental energy shall be equal to all energy supplied to Customer as determined from readings of the Supply Meter, less any energy determined to be either Standby or Maintenance energy as defined in this Schedule.

DETERMINATION OF CONTRACT STANDBY CAPACITY

The Customer will select the initial level of Contract Standby Capacity (CSC) which shall be specified in an Electric Supply Agreement between Customer and Company. If, during any 15 minute interval, Net Customer Load exceeds the level of CSC, the CSC will be adjusted to equal Net Customer Load (See Below).

Whereas,

TCL = Total Customer Load (kW)

TCG = Total Customer Generation (kW)

SD = Customer's Supplemental Demand (kW)

CSC = Level of Contract Standby Capacity (kW)

NCL = Net Customer Load (kW)

$NCL = TCL - TCG - SD$

If CSC is less than NCL,

Then, Nnew CSC will be set equal to the highest monthly NCL (Occurrence) for the length of time specified below:



**SCHEDULE E-56**  
**CLASSIFIED SERVICE**  
**PARTIAL REQUIREMENTS SERVICE**

- 1<sup>st</sup> Occurrence – 1 month
- 2<sup>nd</sup> Occurrence – 3 months
- 3<sup>rd</sup> Occurrence – 6 months
- 4<sup>th</sup> Occurrence – 12 months

The New CSC level shall not exceed the combined continuous nameplate ratings of all Customer-owned generators. If the Net Customer Load is greater than the combined continuous nameplate ratings of all Customer-owned generators, the New CSC will be set at the combined nameplate rating and the difference will be added to the Customer's Supplemental Demand.

For each specific customer generating unit for which the Company is providing Standby Service, Contract Standby Capacity shall be the greater of a) the measured kW output of each customer generation unit at time of start-up test, or b) the highest 15 minute measured kW output of each generating unit, however, not to exceed Customer's actual total load. Customer may request an adjustment to the level of Contract Standby Capacity once every 12 months subject to the provisions specified in the Electric Supply Agreement.

**DETERMINATION OF STANDBY AND MAINTENANCE ENERGY**

Standby and Maintenance Energy shall be defined to be electric energy supplied by Company to replace power ordinarily generated by Customer's generation facility during unscheduled full outages, unscheduled partial outages, and scheduled maintenance periods of said facility.

When the sum of the energy measured on both the Supply and Generator(s) Meters during simultaneous periods is greater than the maximum energy output of the generator(s) at Contract Standby Capacity, the Standby Energy shall be equal to the summation of the differences between the maximum energy output of the generator(s) at Contract Standby Capacity and the energy measured on the Generator Meter(s) for every 15-minute interval of the month. When the sum of the energy measured on both the Supply and Generator(s) Meter is equal to or less than the maximum energy output of the generator(s) at Contract Standby Capacity, then the Standby energy shall be that energy measured on the Supply Meter.

**MAINTENANCE REQUIREMENTS**

Maintenance energy shall be defined as energy supplied to Customer to replace energy normally supplied by the Customer's generator(s) during an authorized Scheduled Maintenance period.

Maintenance periods shall not exceed 30 days per generation unit during any consecutive 12-month period and must be scheduled during the non-Summer billing months. Customer shall provide Company with its planned maintenance schedule 90 days in advance of any planned maintenance in order for the Company to coordinate customer's scheduled maintenance with that of the Company. Upon review, Company shall either approve customer's planned maintenance schedule or notify customer of alternate acceptable periods. Customer, in turn, shall notify the Company of an acceptable alternate maintenance period(s), and shall also confirm with the Company its intention to perform its planned maintenance 45 days prior to the actual commencement date of the planned maintenance period.

**TERMINATION PROVISION**

Should Customer cease to operate his generation unit(s) for 60 consecutive days during periods other than planned scheduled maintenance periods, Company reserves the option to terminate the Agreement for service under this rate schedule with Customer.



**SCHEDULE E-56**  
**CLASSIFIED SERVICE**  
**PARTIAL REQUIREMENTS SERVICE**

CONTRACT PERIOD

As provided in the Electric Supply Agreement between Company and Customer.

UNUSUAL UTILITY OPERATING CONDITIONS

If the Company is in need for of additional power requirements due to equipment failure or other unusual conditions, the Customer may provide excess generation to Company at Company's request. The Company will pay the Customer for any energy purchased at the per kWh monthly firm purchase rate which is negotiated on a case-by-case basis.

TERMS AND CONDITIONS

Customer must enter into an Agreement for the Interconnection and The Sale of Power with Company and an Electric Supply Agreement which shall establish all pertinent details related to interconnection and other required service standards. Qualifying Cogeneration and Small Power Production Facilities (QFs) meeting Public Utility Regulatory Policy Act of 1978 criteria shall be permitted to sell excess power and energy subject to the provisions and rates specified in a Purchase Supply Agreement between APS and Customer. Customers who install facilities that do not meet QF standards will not have the option-right to sell power and energy to Company under this tariff rate schedule. However, Sshould Customer desire to do so, Customer would be required- may seek to enter into a new Service Agreement which would set forth the applicable purchase rates, in addition terms and conditions for interconnection and for the sale of excess power to the Company.

Customer will be required to contract for adequate standby power to cover the total output of all the customer's generators unless adequate facilities have been installed, to the satisfaction of APS that isolate portions of the customer's load from APS' system so that APS will in no event be providing standby service in excess of Contracted Standby Capacity.





**SCHEDULE E-57**  
**CLASSIFIED SERVICE**  
**SOLAR PARTIAL REQUIREMENTS SERVICE**

**AVAILABILITY**

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

**APPLICATION**

This rate schedule is applicable to any general service customer having solar/photovoltaic generation equipment with a nameplate service continuous rating of greater than 100 kW ~~but less than 1000 kW~~ capable of supplying all or a portion of its power requirements. Direct access customers are not eligible for service under this rate schedule.

**RATES**

The bill shall be the sum of the amounts computed under A, B, and C below, including any applicable adjustments:

- A. Basic Service: The Basic Service and Revenue Cycle Service Charges included in the customer's applicable General Service rate schedule will ~~continue to apply~~ each month.
- B. Supplemental Service: Supplemental service will be provided in accordance with the rate levels contained in the customer's applicable General Service rate schedule, (excluding the monthly Basic Service and Revenue Cycle Service Charges).
- C. Standby Service: The monthly charge for standby service shall be calculated as follows:

The unbundled delivery charge contained in the customer's applicable General Service rate schedule is multiplied by the 15 minute integrated kW measured on the Generator Meter during the customer's monthly peak demand.

**METERING**

The Company will install, at the customer's expense, a bi-directional meter at the point of delivery to the customer (Supply Meter) and meter(s) at the point(s) of output from each of the customer's generators (Generator Meter). All meters will record integrated demand and energy on the same 15- minute interval basis as specified by the Company.

**PAYMENT FOR PURCHASES FROM THE CUSTOMER**

- A. For Customer-owned generation equipment with a nameplate continuous service rating of less than 1,000 kW, the Company will pay the Customer for any energy purchased at the per kWh monthly non-firm purchase rates as shown in rate schedule EPR-2.
- B. For Customer-owned generation equipment with a nameplate continuous service rating of 1,000 kW or greater, the Company purchase rate for any excess energy will be negotiated on a case-by-case basis and included in an Arizona Corporation Commission approved Purchase Supply Agreement executed between Company and Customer. Any Purchase Supply Agreement must be approved by the Arizona Corporation Commission.



**SCHEDULE E-57**  
**CLASSIFIED SERVICE**  
**SOLAR PARTIAL REQUIREMENTS SERVICE**

DETERMINATION OF SUPPLEMENTAL SERVICE

Supplemental service shall be defined as demand and energy contracted by Customer to augment the power and energy generated by Customer's generation facility.

A. Supplemental Demand:

Supplemental Demand shall be the highest 15-minute integrated kW demand as recorded on the Supply Meter during the billing period.

B. Supplemental Energy:

Supplemental Energy shall be equal to all energy supplied to Customer as determined from readings of the Supply Meter.

DETERMINATION OF CONTRACT STANDBY CAPACITY

For each specific customer generating unit for which the Company is providing Standby Service, monthly Contract Standby Capacity shall be the simultaneous 15 minute integrated kW demand as recorded on the Generator Meter(s) at the time the customer's Supply Meter registers the highest 15 minute integrated kW demand during the billing period. The level of Contract Standby Capacity shall not exceed the Customer's actual total load.

TERMINATION PROVISION

Should Customer cease to operate his generation unit(s) for 60 consecutive days during periods other than planned scheduled maintenance periods, Company reserves the option to terminate the Agreement for service under this rate schedule with Customer.

CONTRACT PERIOD

As provided in the Electric Supply Agreement between Company and Customer.

TERMS AND CONDITIONS

Customer must enter into an Interconnection Agreement for the ~~Interconnection and the Sale of Power with Company and an Electric Supply Agreement which shall~~ establish all pertinent details related to interconnection and other required service standards. ~~Customer will not have the option to sell power and energy to Company under this schedule. Should Customer desire to do so, Customer would be required to enter into a new Service Agreement which would set forth the applicable purchase rate in addition to terms and conditions for interconnection and for the sale of power to the Company.~~

Customer will be required to contract for adequate standby power to cover the total output of all the customer's generators unless adequate facilities have been installed, to the satisfaction of APS, that isolate portions of the customer's load from APS' system so that APS will in no event be providing standby service in excess of Contracted Standby Capacity.

# Non-Redline Versions



**SCHEDULE E-56**  
**CLASSIFIED SERVICE**  
**PARTIAL REQUIREMENTS SERVICE**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

APPLICATION

This rate schedule is applicable to any general service customer having generation equipment 100 kW and greater capable of supplying all or a portion of its power requirements for other than emergency purposes requiring supplemental, maintenance, and/or standby power. Direct access customers are not eligible for service under this rate schedule.

RATES

The bill shall be the sum of the amounts computed under A, B, and C below, including any applicable adjustments:

- A. Basic Service: The Basic Service and Revenue Cycle Service Charges included in the customer's applicable General Service rate schedule will apply each month.
- B. Supplemental Service: Supplemental service will be provided in accordance with the rate levels contained in the customer's applicable General Service rate schedule, excluding the monthly Basic Service and Revenue Cycle Service Charges.
- C. Standby and Maintenance Service: The monthly charge for Standby and Maintenance Service shall be the sum of:

(1) Delivery Charge:

The unbundled delivery charge contained in the customer's applicable General Service rate schedule multiplied by the amount of Contract Standby Capacity.

(2) Transmission Charge

The unbundled transmission charge, if applicable, contained in the Customer's applicable General Service rate schedule multiplied by the highest level of standby demand used during any 15 minute interval within the billing month (see below).

Where,

LSD = Highest Level of Standby Demand Used (kW)

CSC = Contract Standby Capacity (kW)

LGL = Lowest Level of Customer-Owned Generation -all Customer-owned units combined (kW)

$LSD = CSC - LGL$

The Highest Level of Standby Demand Used (LSD) shall never be less than zero.



**SCHEDULE E-56**  
**CLASSIFIED SERVICE**  
**PARTIAL REQUIREMENTS SERVICE**

(3) Energy Charge:

The unbundled transmission charge, if applicable, contained in the Customer's applicable General Service rate schedule plus the per kWh monthly firm power purchase rates shown in rate schedule EPR-2.

**DETERMINATION OF SUPPLEMENTAL SERVICE**

Supplemental service shall be defined as demand and energy contracted by Customer to augment the power and energy generated by Customer's generation facility.

A. Supplemental Demand:

Supplemental demand shall be the highest 15-minute interval during the billing month which shall equal the (a) 15-minute integrated kW demand calculated for every 15-minute interval as recorded on the Supply Meter, plus (b) the simultaneous 15 minute measured kW output of each customer self-generation as recorded on the Generator Meter(s), less (c) the aggregate Contract Standby Capacity of all the customer's generating units; however, the result shall never be less than zero (0) for purposes of determining Supplemental Demand. If Company authorized scheduled maintenance was being performed on any of the customer's generators at the time of the highest 15 minute interval during the billing month, the amount of demand recorded on the Supply Meter shall be reduced by the applicable Maintenance Power Level of the generator unit(s) undergoing authorized scheduled maintenance for purposes of calculating supplemental demand used for billing.

Customer's maximum Supplemental Service kW requirements shall not exceed that established in the Electric Supply Agreement.

B. Supplemental Energy:

Supplemental energy shall be equal to all energy supplied to Customer as determined from readings of the Supply Meter, less any energy determined to be either Standby or Maintenance energy as defined in this Schedule.

**DETERMINATION OF CONTRACT STANDBY CAPACITY**

The Customer will select the initial level of Contract Standby Capacity (CSC) which shall be specified in an Electric Supply Agreement between Customer and Company. If, during any 15 minute interval, Net Customer Load exceeds the level of CSC, the CSC will be adjusted to equal Net Customer Load (See Below).

Where,

TCL = Total Customer Load (kW)  
TCG = Total Customer Generation (kW)  
SD = Customer's Supplemental Demand (kW)  
CSC = Level of Contract Standby Capacity (kW)  
NCL = Net Customer Load (kW)

$$NCL = TCL - TCG - SD$$



**SCHEDULE E-56**  
**CLASSIFIED SERVICE**  
**PARTIAL REQUIREMENTS SERVICE**

If CSC is less than NCL, then, new CSC will be set equal to the highest monthly NCL (Occurrence) for the length of time specified below:

- 1<sup>st</sup> Occurrence – 1 month
- 2<sup>nd</sup> Occurrence – 3 months
- 3<sup>rd</sup> Occurrence – 6 months
- 4<sup>th</sup> Occurrence – 12 months

The new CSC level shall not exceed the combined continuous nameplate ratings of all Customer-owned generators. If the Net Customer Load is greater than the combined continuous nameplate ratings of all Customer-owned generators, the New CSC will be set at the combined nameplate rating and the difference will be added to the Customer's Supplemental Demand.

**DETERMINATION OF STANDBY AND MAINTENANCE ENERGY**

Standby and Maintenance Energy shall be defined to be electric energy supplied by Company to replace power ordinarily generated by Customer's generation facility during unscheduled full outages, unscheduled partial outages, and scheduled maintenance periods of said facility.

When the sum of the energy measured on both the Supply and Generator(s) Meters during simultaneous periods is greater than the maximum energy output of the generator(s) at Contract Standby Capacity, the Standby Energy shall be equal to the summation of the differences between the maximum energy output of the generator(s) at Contract Standby Capacity and the energy measured on the Generator Meter(s) for every 15-minute interval of the month. When the sum of the energy measured on both the Supply and Generator(s) Meter is equal to or less than the maximum energy output of the generator(s) at Contract Standby Capacity, then the Standby energy shall be that energy measured on the Supply Meter.

**MAINTENANCE REQUIREMENTS**

Maintenance energy shall be defined as energy supplied to Customer to replace energy normally supplied by the Customer's generator(s) during an authorized Scheduled Maintenance period.

Maintenance periods shall not exceed 30 days per generation unit during any consecutive 12-month period and must be scheduled during the non-Summer billing months. Customer shall provide Company with its planned maintenance schedule 90 days in advance of any planned maintenance in order for the Company to coordinate customer's scheduled maintenance with that of the Company. Upon review, Company shall either approve customer's planned maintenance schedule or notify customer of alternate acceptable periods. Customer, in turn, shall notify the Company of an acceptable alternate maintenance period(s), and shall also confirm with the Company its intention to perform its planned maintenance 45 days prior to the actual commencement date of the planned maintenance period.

**TERMINATION PROVISION**

Should Customer cease to operate his generation unit(s) for 60 consecutive days during periods other than planned scheduled maintenance periods, Company reserves the option to terminate the Agreement for service under this rate schedule with Customer.



**SCHEDULE E-56**  
**CLASSIFIED SERVICE**  
**PARTIAL REQUIREMENTS SERVICE**

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CONTRACT PERIOD

As provided in the Electric Supply Agreement between Company and Customer.

UNUSUAL UTILITY OPERATING CONDITIONS

If the Company is in need of additional power requirements due to equipment failure or other unusual conditions, the Customer may provide excess generation to Company at Company's request. The Company will pay the Customer for any energy purchased at the per kWh monthly firm purchase rate which is negotiated on a case-by-case basis.

TERMS AND CONDITIONS

Customer must enter into an Agreement for Interconnection and an Electric Supply Agreement which shall establish all pertinent details related to interconnection and other required service standards. Qualifying Cogeneration and Small Power Production Facilities (QFs) meeting Public Utility Regulatory Policy Act of 1978 criteria shall be permitted to sell excess power and energy subject to the provisions and rates specified in a Purchase Supply Agreement between APS and Customer. Customers who install facilities that do not meet QF standards will not have the right to sell power and energy to Company under this rate schedule. However, should Customer desire to do so, Customer may seek to enter into a new Service Agreement which would set forth the applicable purchase rates, terms and conditions for interconnection and for the sale of excess power to the Company.

Customer will be required to contract for adequate standby power to cover the output of all the customer's generators unless adequate facilities have been installed, to the satisfaction of APS that isolate portions of the customer's load from APS' system so that APS will in no event be providing standby service in excess of Contracted Standby Capacity.



**SCHEDULE E-57**  
**CLASSIFIED SERVICE**  
**SOLAR PARTIAL REQUIREMENTS SERVICE**

AVAILABILITY

This rate schedule is available in all territory served by the Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served and when all applicable provisions described herein have been met.

APPLICATION

This rate schedule is applicable to any general service customer having solar/photovoltaic generation equipment with a nameplate service continuous rating of greater than 100 kW capable of supplying all or a portion of its power requirements. Direct access customers are not eligible for service under this rate schedule.

RATES

The bill shall be the sum of the amounts computed under A, B, and C below, including any applicable adjustments:

- A. Basic Service: The Basic Service and Revenue Cycle Service Charges included in the customer's applicable General Service rate schedule will apply each month.
- B. Supplemental Service: Supplemental service will be provided in accordance with the rate levels contained in the customer's applicable General Service rate schedule, (excluding the monthly Basic Service and Revenue Cycle Service Charges).
- C. Standby Service: The monthly charge for standby service shall be calculated as follows:

The unbundled delivery charge contained in the customer's applicable General Service rate schedule is multiplied by the 15 minute integrated kW measured on the Generator Meter during the customer's monthly peak demand.

METERING

The Company will install, at the customer's expense, a bi-directional meter at the point of delivery to the customer (Supply Meter) and meter(s) at the point(s) of output from each of the customer's generators (Generator Meter). All meters will record integrated demand and energy on the same 15- minute interval basis as specified by the Company.

PAYMENT FOR PURCHASES FROM THE CUSTOMER

- A. For Customer-owned generation equipment with a nameplate continuous service rating of less than 1,000 kW, the Company will pay the Customer for any energy purchased at the per kWh monthly non-firm purchase rates as shown in rate schedule EPR-2.
- B. For Customer-owned generation equipment with a nameplate continuous service rating of 1,000 kW or greater, the Company purchase rate for any excess energy will be negotiated on a case-by-case basis and included in a Purchase Supply Agreement executed between Company and Customer. Any Purchase Supply Agreement must be approved by the Arizona Corporation Commission.





**SCHEDULE E-57**  
**CLASSIFIED SERVICE**  
**SOLAR PARTIAL REQUIREMENTS SERVICE**

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**DETERMINATION OF SUPPLEMENTAL SERVICE**

Supplemental service shall be defined as demand and energy contracted by Customer to augment the power and energy generated by Customer's generation facility.

**A. Supplemental Demand:**

Supplemental Demand shall be the highest 15-minute integrated kW demand as recorded on the Supply Meter during the billing period.

**B. Supplemental Energy:**

Supplemental Energy shall be equal to all energy supplied to Customer as determined from readings of the Supply Meter.

**DETERMINATION OF CONTRACT STANDBY CAPACITY**

For each specific customer generating unit for which the Company is providing Standby Service, monthly Contract Standby Capacity shall be the simultaneous 15 minute integrated kW demand as recorded on the Generator Meter(s) at the time the customer's Supply Meter registers the highest 15 minute integrated kW demand during the billing period. The level of Contract Standby Capacity shall not exceed the Customer's actual total load.

**TERMINATION PROVISION**

Should Customer cease to operate his generation unit(s) for 60 consecutive days during periods other than planned scheduled maintenance periods, Company reserves the option to terminate the Agreement for service under this rate schedule with Customer.

**CONTRACT PERIOD**

As provided in the Electric Supply Agreement between Company and Customer.

**TERMS AND CONDITIONS**

Customer must enter into an Interconnection Agreement and an Electric Supply Agreement to establish all pertinent details related to interconnection and other required service standards.

Customer will be required to contract for adequate standby power to cover the output of all the customer's generators unless adequate facilities have been installed, to the satisfaction of APS, that isolate portions of the customer's load from APS' system so that APS will in no event be providing standby service in excess of Contracted Standby Capacity.